

Office of the Democratic Whip

Steny Hoyer

MEDIA ADVISORY



*The Blue Dog Coalition*



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Contact: Eric Wortman (226-6857)  
Stacey Farnen (225-3130)

## **Hoyer, Blue Dogs Tackle Ballooning Bush Debt** *Inflate Giant Red Balloon,* *Denounce GOP "Hot Air" on PAYGO Budget Mechanism*

Washington, D.C. – Democratic Whip Steny Hoyer and the Blue Dog Coalition inflated a giant red balloon today as a symbol of the ballooning Bush Debt. The Democrats also denounced the Republican leadership's and Administration's "hot air" on their ineffective "pay-as-you-go" (PAYGO) budget mechanism that only applies to spending and not to tax cuts.

**Hoyer and the Blue Dogs called on the House Republicans to truly tackle the nation's deficits by following the example set by a bipartisan majority in the Senate, which supported PAYGO that applies to both spending and tax cuts.**

"President Bush's policies, including extending the tax cuts, fixing the middle class tax time bomb known as the AMT, and the wars in Iraq and Afghanistan will add \$5.2 trillion to the deficit over the next ten years. The price of these deficits is staggering. Our nation will spend more than \$150 billion this year on interest payments on our debt, and that figure will grow to nearly \$374 billion by 2014," said Hoyer.

"These deficits will cost us the ability to deal with the retirement of the baby boomers, and will threaten Social Security and Medicare. These deficits will eat away the resources we need to invest adequately in education and health care for our people. It is time for House Republicans to deal honestly with the consequences of their failed policies and apply PAYGO to both sides of the ledger," continued Hoyer.

"Dealing with our nation's financial problems will require bipartisan cooperation and sacrifices by all," Rep. Charlie Stenholm, Blue Dog Co-Chair for Policy, stated. "We must be willing to put everything on the table. We will have to forgo items that may sound appealing but are not affordable."

"Congress missed a major opportunity to start addressing our record deficits when the Budget Committee voted down two pay-go amendments I offered yesterday by party line votes," Rep. Mike Thompson (CA), Blue Dog and member of the Budget Committee said. "Instead of

embracing fiscal reform, Congressional leaders have endorsed the President's plan for ballooning deficits.”

The House Republican FY05 budget contains the largest deficit in U.S. history. The public debt has soared since President Bush took office — increasing from \$5.7 trillion at the close of February 2001 to \$7.1 trillion at the end of February this year — with trillions more expected to be added under current administration policies in the coming years.

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HR 3550

## Transportation Equity Act—Legacy for Users (TEA-LU)

### Basic provisions:

The bill provides \$275 billion for highway and transit projects over six years (FY 2004-2009). The committee originally sought \$375 billion, based on DOT assessments of needed transportation improvements, but the White House threatened to veto the bill. Speaker Hastert refused to force the issue and announced he would not allow the House to vote on such a bill, possibly leading to Bush's first veto and a likely embarrassing override by a Republican Congress.

The original bill (\$375 billion) also presumed additional revenue would be produced for transportation programs by indexing the federal fuel tax. The tax currently stands at 18.4 cents per gallon and has not changed since 1993. In order to recapture the purchasing power lost to inflation over the past decade, the committee recommended an immediate adjustment of approximately 5.4 cents per gallon in the first year. In the remaining five years of the bill the tax would be adjusted by the Treasury Dept. according to changes in the Consumer Price Index.

The \$275 billion bill reported by the Transportation Committee does not contain a tax increase, nor does its level of spending require the additional revenue the increase would produce.

The bill contains a provision that would allow the funding levels to be revisited—and possibly adjusted upward—after two years. This “reopener” provision allows us to move past the current political obstacle (veto threat, tax increase in an election year) while still establishing a minimum level of funding distribution to the states over a six-year period. (States require lead times of several years to plan and implement transportation projects. A short-term bill—e.g. two years—does not give the states enough planning time. A six-year bill with a two-year reopener satisfies both our need to break the political impasse and the states’ need for several years’ lead time.)

In trimming \$100 billion from the original bill, the Committee adjusted downward the apportionment of federal highway funds to the states. Donor states will receive a minimum of 90.5 percent return on their federal transportation tax collections, as they do under current law. There is a movement to bump that share up to 95 percent. This is very difficult to do at the \$275 billion level (without doing great harm to the so-called donee states). The reopener may allow us to address this issue in two years as well.

Members’ projects were not affected by the reduction in the overall size of the bill.

The bill also contains \$7.1 billion for so-called mega-projects or projects of national or multi-state importance, and \$1.1 billion for Safe Routes to School.

There is also a provision speeding up the environmental review process for highway and transit projects, a concept also called “environmental streamlining.” Thanks to the efforts of committee Democrats, the provision is designed to accelerate the permitting process without degradation of environmental protections.

Prepared by

Jim Berard  
Democratic Communications Director  
House Transportation and Infrastructure Committee  
x5-6260

**Federal Highway Program  
6 Year Comparison of Funding Levels**

<u>State</u>	<u>6 Year Funding</u>		
	<u>TEA 21</u>	<u>TEA LU</u>	<u>Delta</u>
Alabama	3,341,968,630	3,677,503,151	335,534,521
Alaska	1,960,964,286	2,161,796,341	200,832,055
Arizona	2,778,946,027	3,132,876,523	353,930,496
Arkansas	2,193,453,500	2,397,480,223	204,026,723
California	15,273,463,726	17,089,986,136	1,816,522,410
Colorado	2,007,568,401	2,599,033,398	591,464,997
Connecticut	2,498,327,427	2,755,269,764	256,942,337
Delaware	728,428,392	802,667,815	74,239,423
Dist. of Col.	651,044,411	717,756,301	66,711,890
Florida	7,821,137,646	8,572,770,516	751,632,870
Georgia	5,910,288,580	6,369,089,280	458,800,700
Hawaii	851,748,417	939,288,264	87,539,847
Idaho	1,273,863,938	1,400,314,239	126,450,301
Illinois	5,563,015,825	7,126,148,503	1,563,132,678
Indiana	3,962,324,182	4,648,788,407	686,464,225
Iowa	1,977,325,247	2,239,464,068	262,138,821
Kansas	1,927,824,584	2,125,872,239	198,047,655
Kentucky	2,912,770,102	3,150,616,321	237,846,219
Louisiana	2,670,531,346	2,884,814,253	214,282,907
Maine	876,267,325	954,891,661	78,624,336
Maryland	2,659,318,115	2,915,341,780	256,023,665
Massachusetts	3,090,511,398	3,381,582,897	291,071,499
Michigan	5,305,598,517	5,923,361,476	617,762,959
Minnesota	2,465,274,809	3,594,921,545	1,129,646,736
Mississippi	2,043,841,261	2,210,965,188	167,123,927
Missouri	3,970,096,450	4,284,584,188	314,487,738
Montana	1,634,847,150	1,801,466,712	166,619,562
Nebraska	1,275,793,358	1,409,385,982	133,592,624
Nevada	1,193,301,386	1,315,039,856	121,738,470
New Hampshire	851,374,284	936,748,175	85,373,891
New Jersey	4,353,183,704	4,778,565,225	425,381,521
New Mexico	1,626,229,567	1,793,302,143	167,072,576
New York	8,486,587,169	9,367,118,885	880,531,716
North Carolina	4,668,385,915	5,211,602,801	543,216,886
North Dakota	1,078,988,867	1,188,942,629	109,953,762
Ohio	5,779,848,982	7,168,746,218	1,388,897,236
Oklahoma	2,533,581,202	2,797,544,086	263,962,884
Oregon	2,038,880,248	2,210,420,884	171,540,636
Pennsylvania	8,302,006,159	9,051,240,796	749,234,637
Rhode Island	985,963,500	1,080,988,888	95,025,388
South Carolina	2,745,246,873	2,951,626,713	206,379,840
South Dakota	1,199,921,376	1,297,077,805	97,156,429
Tennessee	3,776,320,462	4,108,773,810	332,453,348
Texas	12,636,947,044	14,365,414,589	1,728,467,545
Utah	1,296,075,964	1,420,816,379	124,740,415
Vermont	752,642,127	829,701,609	77,059,482
Virginia	4,271,063,968	4,684,422,164	413,358,196
Washington	2,949,752,201	3,261,447,460	311,695,259
West Virginia	1,859,855,804	2,053,661,166	193,805,362
Wisconsin	3,277,559,291	3,613,456,646	335,897,355
Wyoming	1,149,126,680	1,261,153,703	112,027,023
<b>Total Apportioned</b>	<b>167,439,385,823</b>	<b>188,015,849,804</b>	<b>20,576,463,981</b>

**Federal Highway Program  
Year by Year Funding Levels**

<u>State</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>TEA LU Six Year Total</u>
Alabama	548,357,140	561,722,984	592,746,373	607,630,702	622,684,974	638,344,678	654,373,440	3,677,503,151
Alaska	320,784,383	330,205,207	348,442,106	357,191,761	366,041,318	375,246,773	384,669,177	2,161,796,341
Arizona	468,658,233	478,533,580	504,962,503	517,642,509	530,467,291	543,807,843	557,462,796	3,132,876,523
Arkansas	359,426,082	366,204,919	386,430,045	396,133,607	405,947,962	416,157,017	426,606,672	2,397,480,223
California	2,577,989,640	2,610,422,781	2,754,593,780	2,823,763,798	2,893,723,577	2,966,496,901	3,040,985,299	17,089,986,136
Colorado	354,936,655	396,991,310	418,916,737	429,436,066	440,075,502	451,142,819	462,470,964	2,599,033,398
Connecticut	408,763,787	420,855,752	444,099,187	455,250,868	466,529,874	478,262,484	490,271,600	2,755,269,764
Delaware	119,069,947	122,604,099	129,375,399	132,624,117	135,909,928	139,327,883	142,826,390	802,667,815
Dist. of Col.	106,458,716	109,634,226	115,689,213	118,594,260	121,532,476	124,588,857	127,717,269	717,756,301
Florida	1,317,650,662	1,309,454,278	1,381,774,107	1,416,471,543	1,451,565,143	1,488,070,088	1,525,435,358	8,572,770,516
Georgia	974,955,359	972,851,331	1,026,580,921	1,052,359,176	1,078,431,759	1,105,552,893	1,133,313,200	6,369,089,280
Hawaii	139,336,760	143,472,292	151,396,121	155,197,797	159,042,879	163,042,597	167,136,578	939,288,264
Idaho	208,679,753	213,892,051	225,705,092	231,372,725	237,105,068	243,067,947	249,171,356	1,400,314,239
Illinois	910,164,724	1,088,488,911	1,148,605,048	1,177,447,425	1,206,619,114	1,236,963,990	1,268,024,015	7,126,148,503
Indiana	634,893,876	710,082,680	749,299,826	768,115,334	787,145,672	806,941,345	827,203,550	4,648,788,407
Iowa	323,486,286	342,068,623	360,960,725	370,024,733	379,192,231	388,728,415	398,489,341	2,239,464,068
Kansas	315,330,398	324,717,954	342,651,796	351,256,053	359,958,550	369,011,031	378,276,856	2,125,872,239
Kentucky	478,720,896	481,243,259	507,821,835	520,573,641	533,471,043	546,887,135	560,619,408	3,150,616,321
Louisiana	437,509,972	440,643,122	464,979,394	476,655,393	488,464,704	500,748,946	513,322,695	2,884,814,253
Maine	143,534,289	145,855,645	153,911,104	157,775,933	161,684,889	165,751,050	169,913,040	954,891,661
Maryland	448,262,819	445,306,072	469,899,874	481,699,430	493,633,709	506,047,945	518,754,751	2,915,341,780
Massachusetts	506,317,788	516,522,422	545,049,431	558,736,051	572,578,940	586,978,544	601,717,508	3,381,582,897
Michigan	848,759,827	904,768,302	954,737,736	978,711,953	1,002,959,898	1,028,183,014	1,054,000,573	5,923,361,476
Minnesota	403,502,972	549,108,994	579,435,726	593,985,813	608,702,029	624,010,080	639,678,902	3,594,921,545
Mississippi	334,206,818	337,715,540	356,367,226	365,315,888	374,366,722	383,781,551	393,418,262	2,210,965,188
Missouri	637,444,037	654,452,033	690,596,754	707,938,182	725,477,609	743,722,412	762,397,197	4,284,584,188
Montana	267,266,544	275,166,387	290,363,547	297,654,805	305,029,311	312,700,395	320,552,266	1,801,466,712
Nebraska	209,054,844	215,277,722	227,167,291	232,871,641	238,641,121	244,642,630	250,785,578	1,409,385,982
Nevada	195,084,410	200,866,751	211,960,418	217,282,911	222,666,175	228,265,935	233,997,666	1,315,039,856
New Hampshire	139,901,966	143,084,304	150,986,705	154,778,100	158,612,784	162,601,686	166,684,596	936,748,175
New Jersey	728,047,251	729,905,538	770,217,479	789,558,247	809,119,840	829,468,135	850,295,985	4,778,565,225
New Mexico	266,027,852	273,919,284	289,047,568	296,305,780	303,646,864	311,283,181	319,099,466	1,793,302,143
New York	1,389,521,309	1,430,787,617	1,509,808,563	1,547,721,045	1,586,066,399	1,625,953,873	1,666,781,389	9,367,118,885
North Carolina	772,217,345	796,050,188	840,015,231	861,108,675	882,442,957	904,635,231	927,350,518	5,211,602,801
North Dakota	176,366,883	181,605,936	191,635,847	196,447,974	201,315,044	206,377,852	211,559,976	1,188,942,629
Ohio	938,157,691	1,094,995,531	1,155,471,022	1,184,485,809	1,213,831,877	1,244,358,144	1,275,603,835	7,168,746,218
Oklahoma	419,279,036	427,312,975	450,913,036	462,235,818	473,687,879	485,600,503	497,793,876	2,797,544,086
Oregon	333,547,969	337,632,400	356,279,494	365,225,953	374,274,559	383,687,070	393,321,408	2,210,420,884
Pennsylvania	1,361,481,676	1,382,538,580	1,458,894,782	1,495,528,778	1,532,581,050	1,571,123,438	1,610,574,168	9,051,240,796
Rhode Island	161,298,734	165,116,460	174,235,675	178,610,870	183,036,019	187,639,133	192,350,731	1,080,988,888
South Carolina	457,881,181	450,848,441	475,748,343	487,694,758	499,777,574	512,346,319	525,211,277	2,951,626,713
South Dakota	196,897,381	198,123,124	209,065,263	214,315,057	219,624,791	225,148,064	230,801,506	1,297,077,805
Tennessee	610,339,579	627,597,745	662,259,331	678,889,184	695,708,911	713,205,071	731,113,569	4,108,773,810
Texas	2,162,596,910	2,194,256,052	2,315,442,585	2,373,585,171	2,432,391,610	2,493,563,044	2,556,176,128	14,365,414,589
Utah	210,751,716	217,023,666	229,009,663	234,760,275	240,576,547	246,626,729	252,819,498	1,420,816,379
Vermont	123,073,695	126,733,396	133,732,753	137,090,887	140,487,364	144,020,436	147,636,773	829,701,609
Virginia	693,472,744	715,525,585	755,043,337	774,003,069	793,179,278	813,126,688	833,544,207	4,684,422,164
Washington	481,064,589	498,172,244	525,685,791	538,886,175	552,237,277	566,125,315	580,340,657	3,261,447,460
West Virginia	304,620,645	313,688,019	331,012,689	339,324,679	347,731,571	356,476,561	365,427,647	2,053,661,166
Wisconsin	536,062,166	551,940,152	582,423,246	597,048,352	611,840,443	627,227,422	642,977,031	3,613,456,646
Wyoming	188,015,595	192,635,871	203,274,954	208,379,348	213,542,023	218,912,322	224,409,186	1,261,153,703
<b>Total Apportioned</b>	<b>27,649,231,530</b>	<b>28,718,622,336</b>	<b>30,304,722,674</b>	<b>31,065,698,118</b>	<b>31,835,362,128</b>	<b>32,635,979,414</b>	<b>33,455,465,134</b>	<b>188,015,849,804</b>